

**SAMPLE LETTER TO EMPLOYEES STARTING VSDP LONG-TERM
DISABILITY***

***NOTE TO BENEFITS ADMINISTRATORS--** Since Extended Coverage need not be offered to new LTD participants who had waived active employee coverage prior to the end of short-term disability (i.e., did not have coverage on the day before the qualifying event), this letter will need to be modified for some employees.

Dear Employee:

Your short-term disability ends on (insert date). If you are unable to return to full duty at that time, your State Health Benefits Program coverage as an active employee will terminate at the end of the month in which your short-term disability ends. If you are approved for long-term disability (LTD) benefits under the Virginia Sickness and Disability Program (VSDP), you may elect to continue or enroll in coverage under the provisions of the State Retiree Health Benefits Program. Under this program, the participant pays the full cost of coverage. (Contact the Virginia Retirement System regarding enrollment in the Health Insurance Credit Program.)

A fact sheet describing your health plan options is attached to assist you in making enrollment decisions. You must submit your *State Health Benefits Program Enrollment/Waiver form for Retirees and VSDP/LTD Participants* (attached) within 31 days of the date that your active coverage ends. Failure to submit an Enrollment/Waiver Form will result in loss of eligibility to enroll in the program for the duration of your LTD period. You may, however, submit your Enrollment/Waiver Form to waive coverage and preserve your right to re-enroll at a later date during LTD.

Your enrollment in the State Retiree Health Benefits Program runs concurrently with your right to enroll in Extended Coverage (COBRA). You have a legal right to exercise your Extended Coverage benefits instead of continuing your coverage through VSDP/LTD. However, Extended Coverage benefits allow for only 18 months of continuation coverage from the start of LTD. In addition, an administrative fee is added to your Extended Coverage premium.

If you elect to enroll in coverage through the VSDP/LTD program, you may continue coverage for the duration of your LTD period per the program provisions. If you terminate employment before the full period of concurrent Extended Coverage has concluded, you will have the opportunity to continue coverage after your employment ends until the full Extended Coverage period is

exhausted, as long as your Extended Coverage Election Form is submitted within 60 days of your loss of coverage under the LTD program. An Extended Coverage Election Notice and Election Form are attached for your use.

If, at the end of your short-term disability period, you have not been approved for LTD benefits, you may enroll for retiree group coverage pending approval of LTD. If your LTD benefit is later denied, your enrollment will be changed to Extended Coverage, as appropriate, and any administrative fee not billed during the interim period will be waived. Waiver of coverage under the LTD program terminates your right to Extended Coverage after the original election period.

Please be sure to read the enclosed materials carefully to ensure that you are aware of your state health program rights and obligations.

Enclosures:

- State Retiree Health Benefits Program Enrollment/Waiver Form for Retirees and VSDP/LTD Participants
- Extended Coverage Election Notice/Form